REMARKS

Applicants reply to the Office Action mailed on November 9, 2007 within the shortened statutory three month period for reply. Claims 1-3, 5-9, 11-14, and 16 were pending in the application and the Examiner rejects claims 1-3, 5-9, 11-14, and 16. Support for the amendments may be found in the originally-filed specification, claims, and figures. No new matter has been introduced by these amendments. Reconsideration of this application is respectfully requested.

Applicants thank the Examiner for agreeing, on February 4, 2007, to grant an interview to Applicants' counsel prior to reviewing this Reply.

Rejection under 35 U.S.C. § 103(a)

The Examiner rejects claims 1-3, 5-9, 11-14, and 16 under 35 U.S.C. § 103(a) as being unpatentable over Lawlor et al., U.S. Patent Publication No. 2002/0038289 ("Lawlor") in view of Sanders et al., U.S. Patent Publication No. 2003/0158811 ("Sanders"). Applicants respectfully traverse this rejection.

As discussed in the previous Reply, Applicant asserts that Lawlor generally discloses a home banking and bill-pay system using a specialized terminal that is placed in a home. Specifically, the Lawlor system enables bank account holders to interact with a main banking server by way of a standard Point of Sale (POS) or Automated Teller Machine (ATM) network. The Lawler system is disclosed with the pretext that many bank account holders either do not have access to a personal computer or are not prone to use a personal computer in order to participate in online banking. Thus, Lawlor attempts to overcome these problems by providing a dedicated, in-home, ATM-like terminal that is user friendly.

Lawler further discloses that the terminal enables users to pay bills without writing and mailing checks, obtaining account balances, conducting funds transfer between accounts, and setting-up reoccurring payments. Specifically, Lawlor discloses that a "central computer 52 requests information regarding recurrence of the scheduled payments (e.g., weekly, semi-monthly, monthly, or other)" (paragraph 0323). On the date of a scheduled payment, the Lawlor system performs an ACH transfer of funds from a first account to a second account.

The Examiner now asserts that Lawlor teaches "executing an authorized ACH transaction based on the set up and the authorization information ACH transaction parameters, wherein the authorized ACH transaction debits a first account and credits a second account" (page 2, item 3).

However, Applicants are not claiming the execution of an ACH transaction based on setting-up a scheduled payment, as described above.

First, Lawlor system is executing an ACH transaction based on a condition associated with a first account, namely an ACH transaction based on a first account that is to be executed on a given date. The second account is merely a recipient of funds from the first account. In other words, the condition (e.g., "on August 14, 2008 transfer $855 from first account to second account") is not associated with the second account. Thus, while the second account is defined as a parameter, there are no conditions associated with the second account that will determine when a funds transfer will take place. The second account is unaware of a scheduled funds transfer until an actual transfer takes place.

More significantly, outside of an account number and routing information, the Lawlor system is ignorant about conditions relating to the second account (receiving account). For example, Lawlor does not disclose a means for determining the balance of a second account and then executing an ACH transfer from a first account to the second account based on a balance change. This is contrary to the presently claimed invention that is able to identify a balance change condition in a second account (e.g., balance falls below a predefined threshold amount), and execute an ACH transfer from a first account to the second account as a result of the balance change in the second account.

Sanders generally discloses a rules based electronic funds transfer system. Specifically, the Sanders system includes a number of rules defining how funds transfer transaction events should be handled. For example, a rule may be configured in such a way as to generate an email notification to be delivered to an account holder should an insufficient funds event occur. A user can interact with the Sanders system to define the rules, view transaction histories, and setup one or more future funds transfer transactions.

To setup a funds transfer, a user interacts with the Sanders system via an interface to enter a number of required fields. Such fields include, for example, payable to, amount, bank name, description, transaction type, account type, routing number, and account number. Moreover, the user can define whether the funds transfer is a one-time or reoccurring transaction. The Sanders system then automates the process of performing the funds transfer according to the user defined rules, as well as the payer and payee information provided by the user. However, the level of automation disclosed by Sanders is limiting in that it requires the user to configure

the transfer in accordance with what is known beforehand. For example, the user may setup a reoccurring auto payment to enable the Sanders system to automatically invoke a funds transfer from the user's checking account to a finance company every 18th day of the month. This is effective in such situations where the user has advance knowledge regarding a transfer amount and transfer date. Sanders would not be effective in situations where the user may not know about an account deficiency in a second account until after the deficiency occurs. For example, the user may establish an automated brokerage account and transfer $2,000 into that account to be applied toward the purchase of stocks. Within an automated brokerage environment, the user may configure the system such that when a particular stock reaches a determined price, the system automatically places a buy transaction for a defined number of stocks. As such, it is possible for the funding of the investment account to become depleted unless the account holder is continuously vigilant. As a result, the account holder may miss investment opportunities or incur fees and fines for not having a sufficient balance.

Both Lawlor and Sanders disclose systems for performing ACH transaction based on instructions from an account holder. Lawlor discloses an older and well known method of performing charge transactions at a POS; however, unlike conventional POS transactions, the POS device is located within the account holder's home or business. Sanders discloses the use of an interface to a server that enables an account holder to configure funds transfers from a first account to a second account. **However, neither of the references contemplates facilitating a funds transfer based on a condition or activity <u>of the receiving account</u>.** As such, neither Lawlor, Sanders, nor any combination thereof, disclose or suggest at least "determining a balance change condition in a second account," or "invoking the authorized ACH transaction based upon the determination of the balance change condition associated with the second account," as similarly recited by independent claims 1, 7, and 13.
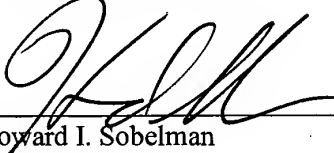
Claims 2, 3, 5, 8, 9, 11, 14, and 16 variously depend from independent claims 1, 7, and 13. Applicant asserts that claims 2, 3, 5, 8, 9, 11, 14, and 16 are differentiated from the cited reference for at least the same reasons set forth above, as well as in view of their own respective features.

Applicants respectfully submit that the pending claims are in condition for allowance. No new matter is added in this Reply. The Commissioner is hereby authorized to charge any fees which may be required, or credit any overpayment, to Deposit Account No. **19-2814.**

Applicants invite the Examiner to telephone the undersigned, if the Examiner has any questions regarding this Reply or the present application in general.

Respectfully submitted,

Dated: February 8, 2008   By: _____

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